

2SSB 5115 - S AMD 157

By Senators Kilmer, Zarelli, Fraser, Kastama

ADOPTED 03/10/2007

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 39.102.020 and 2006 c 181 s 102 are each amended to
4 read as follows:

5 The definitions in this section apply throughout this chapter
6 unless the context clearly requires otherwise.

7 (1) "Annual state contribution limit" means ~~((five))~~ ten million
8 dollars statewide per fiscal year.

9 (2) "Assessed value" means the valuation of taxable real property
10 as placed on the last completed assessment roll.

11 (3) "Base year" means the first calendar year following the
12 ~~((creation of a revenue development area. For a local government that
13 meets the requirements of RCW 39.102.040(2), "base year" is the
14 calendar year after it amends its ordinance as provided in RCW
15 39.102.040(2)))~~ calendar year in which a sponsoring local government,
16 and any cosponsoring local government, receives approval by the board
17 for a project award, provided that the approval is granted before
18 October 15th. If approval by the board is received on or after October
19 15th but on or before December 31st, the "base year" is the second
20 calendar year following the calendar year in which a sponsoring local
21 government, and any cosponsoring local government, receives approval by
22 the board for a project award.

23 (4) "Board" means the community economic revitalization board under
24 chapter 43.160 RCW.

25 (5) "Demonstration project" means one of the following projects:

- 26 (a) Bellingham waterfront redevelopment project;
27 (b) Spokane river district project at Liberty Lake; and
28 (c) Vancouver riverwest project.

29 (6) "Department" means the department of revenue.

1 (7) "Fiscal year" means the twelve-month period beginning July 1st
2 and ending the following June 30th.

3 (8) "Local excise taxes" means local revenues derived from the
4 imposition of sales and use taxes authorized in RCW 82.14.030 at the
5 tax rate that was in effect at the time the revenue development area
6 was ~~((created))~~ approved by the board, except that if a local
7 government reduces the rate of such tax after the revenue development
8 area was ~~((created))~~ approved by the board, "local excise taxes" means
9 the local revenues derived from the imposition of the sales and use
10 taxes authorized in RCW 82.14.030 at the lower tax rate.

11 (9) "Local excise tax allocation revenue" means the amount of local
12 excise taxes received by the local government during the measurement
13 year from taxable activity within the revenue development area over and
14 above the amount of local excise taxes received by the local government
15 during the base year from taxable activity within the revenue
16 development area, except that:

17 (a) If a sponsoring local government ~~((creates))~~ adopts a revenue
18 development area and reasonably determines that no activity subject to
19 tax under chapters 82.08 and 82.12 RCW occurred within the boundaries
20 of the revenue development area in the twelve months immediately
21 preceding the ~~((creation))~~ approval of the revenue development area
22 ~~((within the boundaries of the area that became the revenue development~~
23 ~~area))~~ by the board, "local excise tax allocation revenue" means the
24 entire amount of local excise taxes received by the sponsoring local
25 government during a calendar year period beginning with the calendar
26 year immediately following the ~~((creation))~~ approval of the revenue
27 development area by the board and continuing with each measurement year
28 thereafter; and

29 (b) For revenue development areas ~~((created))~~ approved by the board
30 in calendar years 2006 and 2007 that do not meet the requirements in
31 (a) of this subsection and if legislation is enacted in this state ~~((by~~
32 ~~July 1, 2006,))~~ during the 2007 legislative session that adopts the
33 sourcing provisions of the streamlined sales and use tax agreement,
34 "local excise tax allocation revenue" means the amount of local excise
35 taxes received by the sponsoring local government during the
36 measurement year from taxable activity within the revenue development
37 area over and above an amount of local excise taxes received by the
38 sponsoring local government during the 2007 or 2008 base year, as the

1 case may be, adjusted by the department for any estimated impacts from
2 retail sales and use tax sourcing changes effective ~~((July 1, 2007))~~ in
3 2008. The amount of base year adjustment determined by the department
4 is final.

5 (10) "Local government" means any city, town, county, port
6 district, and any federally recognized Indian tribe.

7 (11) "Local infrastructure financing" means the use of revenues
8 received from local excise tax allocation revenues, local property tax
9 allocation revenues, ~~((dedicated))~~ other revenues from local public
10 sources, and revenues received from the local option sales and use tax
11 authorized in RCW 82.14.475, dedicated to pay either the principal and
12 interest on bonds authorized under RCW 39.102.150 or to pay public
13 improvement costs on a pay-as-you-go basis as provided in section 15 of
14 this act, or both.

15 (12) "Local property tax allocation revenue" means those tax
16 revenues derived from the receipt of regular property taxes levied on
17 the property tax allocation revenue value and used for local
18 infrastructure financing.

19 (13)(a) "Revenues from local public sources" means ~~((federal and~~
20 ~~private monetary contributions, amounts of local excise tax allocation~~
21 ~~revenues, and amounts of local property tax allocation revenues~~
22 ~~dedicated by participating taxing districts and participating local~~
23 ~~governments for local infrastructure financing))~~:

24 (i) Amounts of local excise tax allocation revenues and local
25 property tax allocation revenues, dedicated by sponsoring local
26 governments, participating local governments, and participating taxing
27 districts, for local infrastructure financing; and

28 (ii) Any other local revenues, except as provided in (b) of this
29 subsection, including revenues derived from federal and private
30 sources.

31 (b) Revenues from local public sources do not include any local
32 funds derived from state grants, state loans, or any other state moneys
33 including any local sales and use taxes credited against the state
34 sales and use taxes imposed under chapter 82.08 or 82.12 RCW.

35 (14) "Low-income housing" means residential housing for low-income
36 persons or families who lack the means which is necessary to enable
37 them, without financial assistance, to live in decent, safe, and
38 sanitary dwellings, without overcrowding. For the purposes of this

1 subsection, "low income" means income that does not exceed eighty
2 percent of the median family income for the standard metropolitan
3 statistical area in which the revenue development area is located.

4 (15) "Measurement year" means a calendar year, beginning with the
5 calendar year following the base year and each calendar year
6 thereafter, that is used annually to measure state and local excise tax
7 allocation revenues.

8 (16) "Ordinance" means any appropriate method of taking legislative
9 action by a local government.

10 (17) "Participating local government" means a local government
11 having a revenue development area within its geographic boundaries that
12 has entered into a written agreement with a sponsoring local government
13 as provided in RCW 39.102.080 to allow the use of all or some of its
14 local excise tax allocation revenues or other revenues from local
15 public sources dedicated for local infrastructure financing.

16 (18) "Participating taxing district" means a local government
17 having a revenue development area within its geographic boundaries that
18 has entered into a written agreement with a sponsoring local government
19 as provided in RCW 39.102.080 to allow the use of some or all of its
20 local property tax allocation revenues or other revenues from local
21 public sources dedicated for local infrastructure financing.

22 (19)(a)(i) "Property tax allocation revenue value" means
23 seventy-five percent of any increase in the assessed value of real
24 property in a revenue development area resulting from:

25 (A) The placement of new construction, improvements(~~(, or both)~~) to
26 property, ~~or both,~~ on the assessment roll(~~(s after the revenue~~
27 development area is created)), where the new construction (~~(or))~~ and
28 improvements (~~(occur entirely after the revenue development area is~~
29 created)) are initiated after the revenue development area is approved
30 by the board;

31 (B) The cost of new housing construction, conversion, and
32 rehabilitation improvements, when such cost is treated as new
33 construction for purposes of chapter 84.55 RCW as provided in RCW
34 84.14.020, and the new housing construction, conversion, and
35 rehabilitation improvements are initiated after the revenue development
36 area is approved by the board;

37 (C) The cost of rehabilitation of historic property, when such cost

1 is treated as new construction for purposes of chapter 84.55 RCW as
2 provided in RCW 84.26.070, and the rehabilitation is initiated after
3 the revenue development area is approved by the board.

4 (ii) Increases in the assessed value of real property in a revenue
5 development area resulting from (a)(i)(A) through (C) of this
6 subsection are included in the property tax allocation revenue value in
7 the initial year. These same amounts are also included in the property
8 tax allocation revenue value in subsequent years unless the property
9 becomes exempt from property taxation.

10 ~~(b) ((If any new construction added to the assessment rolls~~
11 ~~consists of entire buildings, "property tax allocation revenue value"~~
12 ~~includes seventy five percent of any increase in the assessed value of~~
13 ~~the buildings in the years following their initial placement on the~~
14 ~~assessment rolls.~~

15 ~~(c) "Property tax allocation revenue value" does not include any~~
16 ~~increase in the assessed value of improvements to property or new~~
17 ~~construction that do not consist of an entire building, occurring after~~
18 ~~their initial placement on the assessment rolls)) "Property tax
19 allocation revenue value" includes seventy-five percent of any increase
20 in the assessed value of new construction consisting of an entire
21 building in the years following the initial year, unless the building
22 becomes exempt from property taxation.~~

23 (c) Except as provided in (b) of this subsection, "property tax
24 allocation revenue value" does not include any increase in the assessed
25 value of real property after the initial year.

26 (d) There is no property tax allocation revenue value if the
27 assessed value of real property in a revenue development area has not
28 increased ~~((due to new construction or improvements to property~~
29 ~~occurring after the revenue development area is created)) as a result
30 of any of the reasons specified in (a)(i)(A) through (C) of this
31 subsection.~~

32 (e) For purposes of this subsection, "initial year" means:

33 (i) For new construction and improvements to property added to the
34 assessment roll, the year during which the new construction and
35 improvements are initially placed on the assessment roll;

36 (ii) For the cost of new housing construction, conversion, and
37 rehabilitation improvements, when such cost is treated as new

1 construction for purposes of chapter 84.55 RCW, the year when such cost
2 is treated as new construction for purposes of levying taxes for
3 collection in the following year; and

4 (iii) For the cost of rehabilitation of historic property, when
5 such cost is treated as new construction for purposes of chapter 84.55
6 RCW, the year when such cost is treated as new construction for
7 purposes of levying taxes for collection in the following year.

8 (20) "Taxing district" means a government entity that levies or has
9 levied for it regular property taxes upon real property located within
10 a proposed or approved revenue development area.

11 (21) "Public improvements" means:

12 (a) Infrastructure improvements within the revenue development area
13 that include:

14 (i) Street, bridge, and road construction and maintenance,
15 including highway interchange construction;

16 (ii) Water and sewer system construction and improvements,
17 including wastewater reuse facilities;

18 (iii) Sidewalks, traffic controls, and streetlights;

19 (iv) Parking, terminal, and dock facilities;

20 (v) Park and ride facilities of a transit authority;

21 (vi) Park facilities and recreational areas, including trails; and

22 (vii) Storm water and drainage management systems;

23 (b) Expenditures for facilities and improvements that support
24 affordable housing as defined in RCW 43.63A.510.

25 (22) "Public improvement costs" means the cost of: (a) Design,
26 planning, acquisition including land acquisition, site preparation
27 including land clearing, construction, reconstruction, rehabilitation,
28 improvement, and installation of public improvements; (b) demolishing,
29 relocating, maintaining, and operating property pending construction of
30 public improvements; (c) the local government's portion of relocating
31 utilities as a result of public improvements; (d) financing public
32 improvements, including interest during construction, legal and other
33 professional services, taxes, insurance, principal and interest costs
34 on general indebtedness issued to finance public improvements, and any
35 necessary reserves for general indebtedness; (e) assessments incurred
36 in revaluing real property for the purpose of determining the property
37 tax allocation revenue base value that are in excess of costs incurred
38 by the assessor in accordance with the revaluation plan under chapter

1 84.41 RCW, and the costs of apportioning the taxes and complying with
2 this chapter and other applicable law; (~~and~~) (f) administrative
3 expenses and feasibility studies reasonably necessary and related to
4 these costs(~~(, including related)~~); and (g) any of the above-described
5 costs that may have been incurred before adoption of the ordinance
6 authorizing the public improvements and the use of local infrastructure
7 financing to fund the costs of the public improvements.

8 (23) "Regular property taxes" means regular property taxes as
9 defined in RCW 84.04.140, except: (a) Regular property taxes levied by
10 public utility districts specifically for the purpose of making
11 required payments of principal and interest on general indebtedness;
12 (b) regular property taxes levied by the state for the support of the
13 common schools under RCW 84.52.065; and (c) regular property taxes
14 authorized by RCW 84.55.050 that are limited to a specific purpose.
15 "Regular property taxes" do not include excess property tax levies that
16 are exempt from the aggregate limits for junior and senior taxing
17 districts as provided in RCW 84.52.043.

18 (24) "Property tax allocation revenue base value" means the
19 assessed value of real property located within a revenue development
20 area for taxes levied in the year in which the revenue development area
21 is (~~created~~) adopted for collection in the following year, plus one
22 hundred percent of any increase in the assessed value of real property
23 located within a revenue development area that is placed on the
24 assessment rolls after the revenue development area is (~~created~~)
25 adopted, less the property tax allocation revenue value.

26 (25) "Relocating a business" means the closing of a business and
27 the reopening of that business, or the opening of a new business that
28 engages in the same activities as the previous business, in a different
29 location within a one-year period, when an individual or entity has an
30 ownership interest in the business at the time of closure and at the
31 time of opening or reopening. "Relocating a business" does not include
32 the closing and reopening of a business in a new location where the
33 business has been acquired and is under entirely new ownership at the
34 new location, or the closing and reopening of a business in a new
35 location as a result of the exercise of the power of eminent domain.

36 (26) "Revenue development area" means the geographic area
37 (~~created~~) adopted by a sponsoring local government and approved by

1 the board, from which local excise and property tax allocation revenues
2 are derived for local infrastructure financing.

3 (27) "Small business" has the same meaning as provided in RCW
4 19.85.020.

5 (28) "Sponsoring local government" means a city, town, or county,
6 and for the purpose of this chapter a federally recognized Indian tribe
7 or any combination thereof, that (~~creates~~) adopts a revenue
8 development area and applies to the board to use local infrastructure
9 financing.

10 (29) "State contribution" means the lesser of:

11 (a) One million dollars;

12 (b) The state excise tax allocation revenue and state property tax
13 allocation revenue received by the state during the preceding calendar
14 year;

15 (c) The total amount of local excise tax allocation revenues, local
16 property tax allocation revenues, and other revenues from local public
17 sources, that are dedicated by a sponsoring local government, any
18 participating local governments, and participating taxing districts, in
19 the preceding calendar year to the payment of principal and interest on
20 bonds issued under RCW 39.102.150 or to pay public improvement costs on
21 a pay-as-you-go basis as provided in section 15 of this act, or both;
22 or

23 (d) The amount of project award granted by the board in the notice
24 of approval to use local infrastructure financing under RCW 39.102.040.

25 (30) "State excise taxes" means revenues derived from state retail
26 sales and use taxes under chapters 82.08 and 82.12 RCW, less the amount
27 of tax distributions from all local retail sales and use taxes, other
28 than the local sales and use taxes authorized by RCW 82.14.475, imposed
29 on the same taxable events that are credited against the state retail
30 sales and use taxes under chapters 82.08 and 82.12 RCW.

31 (31) "State excise tax allocation revenue" means the amount of
32 state excise taxes received by the state during the measurement year
33 from taxable activity within the revenue development area over and
34 above the amount of state excise taxes received by the state during the
35 base year from taxable activity within the revenue development area,
36 except that:

37 (a) If a sponsoring local government (~~creates~~) adopts a revenue
38 development area and reasonably determines that no activity subject to

1 tax under chapters 82.08 and 82.12 RCW occurred within the boundaries
2 of the revenue development area in the twelve months immediately
3 preceding the ~~((creation))~~ approval of the revenue development area
4 ~~((within the boundaries of the area that became the revenue development~~
5 ~~area))~~ by the board, "state excise tax allocation revenue" means the
6 entire amount of state excise taxes received by the state during a
7 calendar year period beginning with the calendar year immediately
8 following the ~~((creation))~~ approval of the revenue development area by
9 the board and continuing with each measurement year thereafter; and

10 (b) For revenue development areas ~~((created))~~ approved by the board
11 in calendar years 2006 and 2007 that do not meet the requirements in
12 (a) of this subsection and if legislation is enacted in this state ~~((by~~
13 ~~July 1, 2006,))~~ during the 2007 legislative session that adopts the
14 sourcing provisions of the streamlined sales and use tax agreement,
15 "state excise tax allocation revenue" means the amount of state excise
16 taxes received by the state during the measurement year from taxable
17 activity within the revenue development area over and above an amount
18 of state excise taxes received by the state during the 2007 or 2008
19 base year, as the case may be, adjusted by the department for any
20 estimated impacts from retail sales and use tax sourcing changes
21 effective ~~((July 1, 2007))~~ in 2008. The amount of base year adjustment
22 determined by the department is final.

23 (32) "State property tax allocation revenue" means those tax
24 revenues derived from the imposition of property taxes levied by the
25 state for the support of common schools under RCW 84.52.065 on the
26 property tax allocation revenue value.

27 (33) "Real property" has the same meaning as in RCW 84.04.090 and
28 also includes any privately owned improvements located on publicly
29 owned land that are subject to property taxation.

30 **Sec. 2.** RCW 39.102.040 and 2006 c 181 s 202 are each amended to
31 read as follows:

32 (1) Prior to applying to the board to use local infrastructure
33 financing, a sponsoring local government shall:

34 (a) Designate a revenue development area within the limitations in
35 RCW 39.102.060;

36 (b) Certify that the conditions in RCW 39.102.070 are met;

37 (c) Complete the process in RCW 39.102.080;

1 (d) Provide public notice as required in RCW 39.102.100; and

2 (e) Pass an ordinance adopting the revenue development area as
3 required in RCW 39.102.090.

4 (2) Any local government that has created an increment area under
5 chapter 39.89 RCW (~~that~~) and has not issued bonds to finance any
6 public improvement (~~shall be~~) may apply to the board and have its
7 increment area considered for approval as a revenue development area
8 under this chapter without (~~creating~~) adopting a new (~~increment~~)
9 revenue development area under RCW 39.102.090 and 39.102.100 if it
10 amends its ordinance to comply with RCW 39.102.090(1) and otherwise
11 meets the conditions and limitations under this chapter.

12 (3) As a condition to imposing a sales and use tax under RCW
13 82.14.475, a sponsoring local government, including any cosponsoring
14 local government seeking authority to impose a sales and use tax under
15 RCW 82.14.475, must apply to the board and be approved for a project
16 award amount. The application shall be in a form and manner prescribed
17 by the board and include but not be limited to information establishing
18 that the applicant is an eligible candidate to impose the local sales
19 and use tax under RCW 82.14.475, the anticipated effective date for
20 imposing the tax, the estimated number of years that the tax will be
21 imposed, and the estimated amount of tax revenue to be received in each
22 fiscal year that the tax will be imposed. The board shall make
23 available forms to be used for this purpose. As part of the
24 application, each applicant must provide to the board a copy of the
25 ordinance or ordinances creating the revenue development area as
26 required in RCW 39.102.090. A notice of approval to use local
27 infrastructure financing shall contain a project award that represents
28 the maximum amount of state contribution that the applicant, including
29 any cosponsoring local governments, can earn each year that local
30 infrastructure financing is used. The total of all project awards
31 shall not exceed the annual state contribution limit. The
32 determination of a project award shall be made based on information
33 contained in the application and the remaining amount of annual state
34 contribution limit to be awarded. Determination of a project award by
35 the board is final.

36 (4)(a) Sponsoring local governments, and any cosponsoring local
37 governments, applying in calendar year 2007 for a competitive project
38 award, must submit completed applications to the board no later than

1 July 1, 2007. By September 15, 2007, in consultation with the
2 department of revenue and the department of community, trade, and
3 economic development, the board shall approve (~~qualified~~) competitive
4 project(s, up to the annual state contribution limit) awards from
5 competitive applications submitted by the 2007 deadline. No more than
6 two million five hundred thousand dollars in competitive project awards
7 shall be approved in 2007. For projects not approved by the board in
8 2007, sponsoring and cosponsoring local governments may apply again to
9 the board in 2008 for approval of a project.

10 (b) Sponsoring local governments, and any cosponsoring local
11 governments, applying in calendar year 2008 for a competitive project
12 award, must submit completed applications to the board no later than
13 July 1, 2008. By September 18, 2008, in consultation with the
14 department of revenue and the department of community, trade, and
15 economic development, the board shall approve competitive project
16 awards from competitive applications submitted by the 2008 deadline.
17 No more than two million five hundred thousand dollars in competitive
18 project awards shall be approved in 2008, except as provided in RCW
19 39.102.050(2). For projects not approved in 2008, sponsoring and
20 cosponsoring local governments may apply again to the board for
21 approval of a project.

22 (c) Sponsoring local governments, and any cosponsoring local
23 governments, applying in calendar year 2009 for a competitive project
24 award, must submit completed applications to the board no later than
25 July 1, 2009. By September 15, 2009, in consultation with the
26 department of revenue and the department of community, trade, and
27 economic development, the board shall approve competitive project
28 awards from competitive applications submitted by the 2009 deadline.

29 (d) Except as provided in RCW 39.102.050(2), a total of no more
30 than seven million five hundred thousand dollars in competitive project
31 awards shall be approved for local infrastructure financing. (~~Except~~
32 as provided in RCW 39.102.050, approvals shall be based on the
33 following criteria))

34 (e) In evaluating applications for a competitive project award, the
35 board shall develop criteria, and the relative weight to be assigned
36 criteria, in conjunction with the Washington state economic development
37 commission. The criteria developed and applied in the application

1 evaluation and approval process shall include the following and such
2 other criteria as the board and the commission consider appropriate:

3 ~~((a))~~ (i) The ~~((project))~~ project's potential to enhance the
4 sponsoring local government's regional and/or international
5 competitiveness;

6 ~~((b))~~ (ii) The project's ability to encourage mixed use
7 development and the redevelopment of a geographic area;

8 ~~((c))~~ (iii) Achieving an overall distribution of projects
9 statewide that reflect geographic diversity;

10 ~~((d))~~ (iv) The estimated wages and benefits for the project is
11 greater than the average labor market area;

12 ~~((e))~~ (v) The estimated state and local net employment change
13 over the life of the project;

14 ~~((f))~~ (vi) The estimated state and local net property tax change
15 over the life of the project; ~~((and))~~

16 ~~((g))~~ (vii) The estimated state and local sales and use tax
17 increase over the life of the project; and

18 (viii) Evidence that the project will not contribute to sprawl and
19 that the project's revenue development area either has or is
20 immediately adjacent to an area that has a rich transportation
21 infrastructure to serve it, including: State highways, arterials,
22 collectors and distributors, and other road capacity sufficient to meet
23 the traffic needs and traffic congestion levels anticipated for the new
24 development; and public transit and park and ride lots sufficient to
25 meet the transport needs of a significant portion of the anticipated
26 workforce in the revenue development area, special needs services, and
27 other transportation services.

28 (5) ~~((A revenue development area is considered created when the~~
29 ~~sponsoring local government, including any cosponsoring local~~
30 ~~government, has adopted an ordinance creating the revenue development~~
31 ~~area and the board has approved the sponsoring local government to use~~
32 ~~local infrastructure financing. If a sponsoring local government~~
33 ~~receives approval from the board after the fifteenth day of October to~~
34 ~~use local infrastructure financing, the revenue development area is~~
35 ~~considered created in the calendar year following the approval.))~~ Once
36 the board has approved the sponsoring local government, and any
37 cosponsoring local governments, to use local infrastructure financing,
38 notification ~~((shall))~~ must be sent by the board to the sponsoring

1 local government, and any cosponsoring local governments, authorizing
2 the sponsoring local government, and any cosponsoring local
3 governments, to impose the local sales and use tax authorized under RCW
4 82.14.475, subject to the conditions in RCW 82.14.475.

5 **Sec. 3.** RCW 39.102.050 and 2006 c 181 s 203 are each amended to
6 read as follows:

7 (1) In addition to a competitive process, demonstration projects
8 are provided to determine the feasibility of the local infrastructure
9 financing tool. Notwithstanding RCW 39.102.040, the board shall
10 approve each demonstration project ((before approving any other
11 application)). Demonstration project applications must be received by
12 the board no later than July 1, 2008. The Bellingham waterfront
13 redevelopment project award shall not exceed one million dollars per
14 year, the Spokane river district project award shall not exceed one
15 million dollars per year, and the Vancouver riverwest project award
16 shall not exceed five hundred thousand dollars per year. The board
17 shall approve by September 15, 2007, demonstration project applications
18 submitted no later than July 1, 2007. The board shall approve by
19 September 18, 2008, demonstration project applications submitted by
20 July 1, 2008.

21 (2) If before board approval of the final competitive project award
22 in 2008, a demonstration project has not received approval by the
23 board, the state dollars set aside for the demonstration project in
24 subsection (1) of this section shall be available for the competitive
25 application process. If a demonstration project has received a partial
26 award before the approval of the final competitive project award, the
27 remaining state dollars set aside for the demonstration project in
28 subsection (1) of this section shall be available for the competitive
29 process.

30 **Sec. 4.** RCW 39.102.060 and 2006 c 181 s 204 are each amended to
31 read as follows:

32 The designation of a revenue development area is subject to the
33 following limitations:

34 (1) The taxable real property within the revenue development area
35 boundaries may not exceed one billion dollars in assessed value at the
36 time the revenue development area is designated;

1 ~~((The average assessed value per square foot of taxable land~~
2 ~~within the revenue development area boundaries may not exceed seventy~~
3 ~~dollars at the time the revenue development area is designated;~~

4 ~~(3) No more than one revenue development area may be created in a~~
5 ~~county))~~ No revenue development area shall have within its geographic
6 boundaries any part of a hospital benefit zone under chapter 39.100 RCW
7 or any part of another revenue development area created under this
8 chapter;

9 ~~((4))~~ (3) A revenue development area is limited to contiguous
10 tracts, lots, pieces, or parcels of land without the creation of
11 islands of property not included in the revenue development area;

12 ~~((5) The boundaries may not be drawn to purposely exclude parcels~~
13 ~~where economic growth is unlikely to occur;~~

14 ~~(6))~~ (4) The public improvements financed through local
15 infrastructure financing must be located in the revenue development
16 area;

17 ~~((7))~~ (5) A revenue development area cannot comprise an area
18 containing more than twenty-five percent of the total assessed value of
19 the taxable real property within the boundaries of the sponsoring local
20 government, including any cosponsoring local government, at the time
21 the revenue development area is designated;

22 ~~((8))~~ (6) The boundaries of the revenue development area shall
23 not be changed for the time period that local infrastructure financing
24 is used; and

25 ~~((9))~~ (7) A revenue development area cannot include any part of
26 an increment area created under chapter 39.89 RCW, except those
27 increment areas created prior to January 1, 2006.

28 **Sec. 5.** RCW 39.102.070 and 2006 c 181 s 205 are each amended to
29 read as follows:

30 The use of local infrastructure financing under this chapter is
31 subject to the following conditions:

32 (1) No funds may be used to finance, design, acquire, construct,
33 equip, operate, maintain, remodel, repair, or reequip public facilities
34 funded with taxes collected under RCW 82.14.048;

35 (2)(a) Except as provided in (b) of this subsection no funds may be
36 used for public improvements other than projects identified within the

1 capital facilities, utilities, housing, or transportation element of a
2 comprehensive plan required under chapter 36.70A RCW;

3 (b) Funds may be used for public improvements that are historical
4 preservation activities as defined in RCW 39.89.020;

5 (3) The public improvements proposed to be financed in whole or in
6 part using local infrastructure financing are expected to encourage
7 private development within the revenue development area and to increase
8 the fair market value of real property within the revenue development
9 area;

10 (4) A sponsoring local government, participating local government,
11 or participating taxing district has entered or expects to enter into
12 a contract with a private developer relating to the development of
13 private improvements within the revenue development area or has
14 received a letter of intent from a private developer relating to the
15 developer's plans for the development of private improvements within
16 the revenue development area;

17 (5) Private development that is anticipated to occur within the
18 revenue development area, as a result of the public improvements, will
19 be consistent with the county-wide planning policy adopted by the
20 county under RCW 36.70A.210 and the local government's comprehensive
21 plan and development regulations adopted under chapter 36.70A RCW;

22 (6) The governing body of the sponsoring local government, and any
23 cosponsoring local government, must make a finding that local
24 infrastructure financing:

25 (a) Is not expected to be used for the purpose of relocating a
26 business from outside the revenue development area, but within this
27 state, into the revenue development area; (~~and~~)

28 (b) Will improve the viability of existing business entities within
29 the revenue development area; and

30 (c) Will be used in a manner that will not encourage sprawl and
31 will support development in, or adjacent to, areas with rich
32 transportation infrastructure including: State highways, arterials,
33 collectors and distributors, and other road capacity sufficient to meet
34 the traffic needs and traffic congestion levels anticipated for the new
35 development; and public transit and park and ride lots sufficient to
36 meet the transport needs of a significant portion of the anticipated
37 workforce in the revenue development area, special needs services, and
38 other transportation services;

1 (7) The governing body of the sponsoring local government, and any
2 cosponsoring local government, finds that the public improvements
3 proposed to be financed in whole or in part using local infrastructure
4 financing are reasonably likely to:

5 (a) Increase private residential and commercial investment within
6 the revenue development area;

7 (b) Increase employment within the revenue development area;

8 (c) Improve the viability of any existing communities that are
9 based on mixed-use development within the revenue development area; and

10 (d) Generate, over the period of time that the local option sales
11 and use tax will be imposed under RCW 82.14.475, state excise tax
12 allocation revenues and state property tax allocation revenues derived
13 from the revenue development area that are equal to or greater than the
14 respective state contributions made under this chapter;

15 (8) The sponsoring local government may only use local
16 infrastructure financing in areas deemed in need of economic
17 development or redevelopment within boundaries of the sponsoring local
18 government.

19 **Sec. 6.** RCW 39.102.090 and 2006 c 181 s 207 are each amended to
20 read as follows:

21 (1) To (~~create~~) adopt a revenue development area, a sponsoring
22 local government, and any cosponsoring local government, must adopt an
23 ordinance establishing the revenue development area that:

24 (a) Describes the public improvements proposed to be made in the
25 revenue development area;

26 (b) Describes the boundaries of the revenue development area,
27 subject to the limitations in RCW 39.102.060;

28 (c) Estimates the cost of the proposed public improvements and the
29 portion of these costs to be financed by local infrastructure
30 financing;

31 (d) Estimates the time during which local excise tax allocation
32 revenues, local property tax allocation revenues, and other revenues
33 from local public sources are to be used for local infrastructure
34 financing;

35 (e) Provides the date when the use of local excise tax allocation
36 revenues and local property tax allocation revenues will commence; and

1 (f) Finds that the conditions in RCW 39.102.070 are met and the
2 findings in RCW 39.102.080 are complete.

3 (2) The sponsoring local government, and any cosponsoring local
4 government, must hold a public hearing on the proposed financing of the
5 public improvements in whole or in part with local infrastructure
6 financing (~~((at least thirty days))~~) before passage of the ordinance
7 establishing the revenue development area. The public hearing may be
8 held by either the governing body of the sponsoring local government
9 and the governing body of any cosponsoring local government, or by a
10 committee of those governing bodies that includes at least a majority
11 of the whole governing body or bodies. The public hearing is subject
12 to the notice requirements in RCW 39.102.100.

13 (3) The sponsoring local government, and any cosponsoring local
14 government, shall deliver a certified copy of the adopted ordinance to
15 the county treasurer, the governing body of each participating local
16 government and participating taxing district within which the revenue
17 development area is located, the board, and the department.

18 **Sec. 7.** RCW 39.102.110 and 2006 c 181 s 301 are each amended to
19 read as follows:

20 (1) A sponsoring local government or participating local government
21 that has received approval by the board to use local infrastructure
22 financing may use annually its local excise tax allocation revenues to
23 finance public improvements in the revenue development area financed in
24 whole or in part by local infrastructure financing. The use of local
25 excise tax allocation revenues dedicated by participating local
26 governments must cease (~~((when such allocation revenues are no longer
27 necessary or obligated to pay bonds issued to finance the public
28 improvements in the revenue development area))~~) on the date specified in
29 the written agreement required in RCW 39.102.080(1), or if no date is
30 specified then the date when the local tax under RCW 82.14.475 expires.
31 Any participating local government is authorized to dedicate local
32 excise tax allocation revenues to the sponsoring local government as
33 authorized in RCW 39.102.080(1).

34 (2) A sponsoring local government shall provide the board accurate
35 information describing the geographical boundaries of the revenue
36 development area at the time of application. The information shall be
37 provided in an electronic format or manner as prescribed by the

1 department. The sponsoring local government shall ensure that the
2 boundary information provided to the board and department is kept
3 current.

4 (3) In the event a city annexes a county area located within a
5 county-sponsored revenue development area, the city shall remit to the
6 county the portion of the local excise tax allocation revenue that the
7 county would have received had the area not been annexed to the county.
8 The city shall remit such revenues until such time as the bonds issued
9 under RCW 39.102.150 are retired.

10 **Sec. 8.** RCW 39.102.120 and 2006 c 181 s 302 are each amended to
11 read as follows:

12 (1) Commencing in the second calendar year following (~~the passage~~
13 ~~of the ordinance creating a revenue development area and authorizing~~
14 ~~the use of local infrastructure financing)) board approval of a revenue
15 development area, the county treasurer shall distribute receipts from
16 regular taxes imposed on real property located in the revenue
17 development area as follows:~~

18 (a) Each participating taxing district and the sponsoring local
19 government shall receive that portion of its regular property taxes
20 produced by the rate of tax levied by or for the taxing district on the
21 property tax allocation revenue base value for that local
22 infrastructure financing project in the taxing district, or upon the
23 total assessed value of real property in the taxing district, whichever
24 is smaller; and

25 (b) The sponsoring local government shall receive an additional
26 portion of the regular property taxes levied by it and by or for each
27 participating taxing district upon the property tax allocation revenue
28 value within the revenue development area. However, if there is no
29 property tax allocation revenue value, the sponsoring local government
30 shall not receive any additional regular property taxes under this
31 subsection (1)(b). The sponsoring local government may agree to
32 receive less than the full amount of the additional portion of regular
33 property taxes under this subsection (1)(b) as long as bond debt
34 service, reserve, and other bond covenant requirements are satisfied,
35 in which case the balance of these tax receipts shall be allocated to
36 the participating taxing districts that levied regular property taxes,
37 or have regular property taxes levied for them, in the revenue

1 development area for collection that year in proportion to their
2 regular tax levy rates for collection that year. The sponsoring local
3 government may request that the treasurer transfer this additional
4 portion of the property taxes to its designated agent. The portion of
5 the tax receipts distributed to the sponsoring local government or its
6 agent under this subsection (1)(b) may only be expended to finance
7 public improvement costs associated with the public improvements
8 financed in whole or in part by local infrastructure financing.

9 (2) The county assessor shall allocate any increase in the assessed
10 value of real property occurring in the revenue development area to the
11 property tax allocation revenue value and property tax allocation
12 revenue base value as appropriate. This section does not authorize
13 revaluations of real property by the assessor for property taxation
14 that are not made in accordance with the assessor's revaluation plan
15 under chapter 84.41 RCW or under other authorized revaluation
16 procedures.

17 (3) The apportionment of increases in assessed valuation in a
18 revenue development area, and the associated distribution to the
19 sponsoring local government of receipts from regular property taxes
20 that are imposed on the property tax allocation revenue value, must
21 cease when property tax allocation revenues are no longer (~~necessary~~
22 ~~or~~) obligated to pay the costs of the public improvements. Any excess
23 local property tax allocation revenues derived from regular property
24 taxes and earnings on these tax allocation revenues, remaining at the
25 time the allocation of tax receipts terminates, must be returned to the
26 county treasurer and distributed to the participating taxing districts
27 that imposed regular property taxes, or had regular property taxes
28 imposed for it, in the revenue development area for collection that
29 year, in proportion to the rates of their regular property tax levies
30 for collection that year.

31 (4) The allocation to the revenue development area of portions of
32 the local regular property taxes levied by or for each taxing district
33 upon the property tax allocation revenue value within that revenue
34 development area is declared to be a public purpose of and benefit to
35 each such taxing district.

36 (5) The allocation of local property tax allocation revenues
37 pursuant to this section shall not affect or be deemed to affect the

1 rate of taxes levied by or within any taxing district or the
2 consistency of any such levies with the uniformity requirement of
3 Article VII, section 1 of the state Constitution.

4 (6) This section does not apply to those revenue development areas
5 that include any part of an increment area created under chapter 39.89
6 RCW.

7 **Sec. 9.** RCW 82.14.475 and 2006 c 181 s 401 are each amended to
8 read as follows:

9 (1) A sponsoring local government, and any cosponsoring local
10 government, that has been approved by the board to use local
11 infrastructure financing may impose a sales and use tax in accordance
12 with the terms of this chapter and subject to the criteria set forth in
13 this section. Except as provided in this section, the tax is in
14 addition to other taxes authorized by law and shall be collected from
15 those persons who are taxable by the state under chapters 82.08 and
16 82.12 RCW upon the occurrence of any taxable event within the taxing
17 jurisdiction of the sponsoring local government or cosponsoring local
18 government. The rate of tax shall not exceed the rate provided in RCW
19 82.08.020(1), less the aggregate rates of any other local sales and use
20 taxes imposed on the same taxable events that are credited against the
21 state sales and use taxes imposed under chapters 82.08 and 82.12 RCW.
22 The rate of tax may be changed only on the first day of a fiscal year
23 as needed. Notice of rate changes must be provided to the department
24 on the first day of March to be effective on July 1st of the next
25 fiscal year.

26 (2) The tax authorized under subsection (1) of this section shall
27 be credited against the state taxes imposed under chapter 82.08 or
28 82.12 RCW. The department shall perform the collection of such taxes
29 on behalf of the sponsoring local government or cosponsoring local
30 government at no cost to the sponsoring local government or
31 cosponsoring local government and shall remit the taxes as provided in
32 RCW 82.14.060.

33 (3)(a) No tax may be imposed under the authority of this section:
34 (i) Before July 1, 2008;
35 (ii) Before approval by the board under RCW 39.102.040; and
36 (iii) ~~((Except as provided in (b) of this subsection, unless))~~
37 Before the sponsoring local government has received ~~((and dedicated to~~

1 ~~the payment of bonds authorized in RCW 39.102.150, in whole or in part,~~
2 ~~both)) local excise tax allocation revenues ((and)), local property tax~~
3 ~~allocation revenues, or both, during the preceding calendar year.~~

4 ~~(b) ((The requirement to receive local property tax allocation~~
5 ~~revenues under (a) of this subsection is waived if the revenue~~
6 ~~development area coincides with or is contained entirely within the~~
7 ~~boundaries of an increment area adopted by a local government under the~~
8 ~~authority of chapter 39.89 RCW for the purposes of utilizing community~~
9 ~~revitalization financing.~~

10 ~~(e))~~ The tax imposed under this section shall expire when the
11 bonds issued under the authority of RCW 39.102.150 are retired, but not
12 more than twenty-five years after the tax is first imposed.

13 (4) An ordinance adopted by the legislative authority of a
14 sponsoring local government or cosponsoring local government imposing
15 a tax under this section shall provide that:

16 (a) The tax shall first be imposed on the first day of a fiscal
17 year;

18 (b) The cumulative amount of tax received by the sponsoring local
19 government, and any cosponsoring local government, in any fiscal year
20 shall not exceed the amount of the state contribution;

21 (c) The tax shall cease to be distributed for the remainder of any
22 fiscal year in which either:

23 (i) The amount of tax received by the sponsoring local government,
24 and any cosponsoring local government, equals the amount of the state
25 contribution;

26 (ii) The amount of revenue from taxes imposed under this section by
27 all sponsoring and cosponsoring local governments equals the annual
28 state contribution limit; or

29 (iii) The amount of tax received by the sponsoring local government
30 equals the amount of project award granted in the approval notice
31 described in RCW 39.102.040;

32 ~~(d) ((Except when the requirement to receive local property tax~~
33 ~~allocation revenues is waived as provided in subsection (3)(b) of this~~
34 ~~section, neither the local excise tax allocation revenues nor the local~~
35 ~~property tax allocation revenues can be more than eighty percent of the~~
36 ~~total local funds as described in RCW 39.102.020(29)(c);~~

37 ~~(e))~~ The tax shall be distributed again, should it cease to be

1 distributed for any of the reasons provided in (c) of this subsection,
2 at the beginning of the next fiscal year, subject to the restrictions
3 in this section; and

4 ~~((f))~~ (e) Any revenue generated by the tax in excess of the
5 amounts specified in (c) of this subsection shall belong to the state
6 of Washington.

7 (5) If a county and city cosponsor a revenue development area, the
8 combined rates of the city and county tax shall not exceed the rate
9 provided in RCW 82.08.020(1), less the aggregate rates of any other
10 local sales and use taxes imposed on the same taxable events that are
11 credited against the state sales and use taxes imposed under chapters
12 82.08 and 82.12 RCW. The combined amount of distributions received by
13 both the city and county may not exceed the state contribution.

14 (6) The department shall determine the amount of tax receipts
15 distributed to each sponsoring local government, and any cosponsoring
16 local government, imposing sales and use tax under this section and
17 shall advise a sponsoring or cosponsoring local government when tax
18 distributions for the fiscal year equal the amount of state
19 contribution for that fiscal year as provided in subsection (8) of this
20 section. Determinations by the department of the amount of tax
21 distributions attributable to each sponsoring or cosponsoring local
22 government are final and shall not be used to challenge the validity of
23 any tax imposed under this section. The department shall remit any tax
24 receipts in excess of the amounts specified in subsection (4)(c) of
25 this section to the state treasurer who shall deposit the money in the
26 general fund.

27 (7) If a sponsoring or cosponsoring local government fails to
28 comply with RCW 39.102.140, no tax may be distributed in the subsequent
29 fiscal year until such time as the sponsoring or cosponsoring local
30 government complies and the department calculates the state
31 contribution amount for such fiscal year.

32 (8) Each year, the amount of taxes approved by the department for
33 distribution to a sponsoring or cosponsoring local government in the
34 next fiscal year shall be equal to the state contribution and shall be
35 no more than the total local funds as described in RCW
36 39.102.020(29)(c). The department shall consider information from
37 reports described in RCW 39.102.140 when determining the amount of
38 state contributions for each fiscal year. A sponsoring or cosponsoring

1 local government shall not receive, in any fiscal year, more revenues
2 from taxes imposed under the authority of this section than the amount
3 approved annually by the department. The department shall not approve
4 the receipt of more distributions of sales and use tax under this
5 section to a sponsoring or cosponsoring local government than is
6 authorized under subsection (4) of this section.

7 (9) The amount of tax distributions received from taxes imposed
8 under the authority of this section by all sponsoring and cosponsoring
9 local governments is limited annually to not more than ~~((five))~~ ten
10 million dollars. ~~((The tax distributions shall be available to the
11 sponsoring local government, and any cosponsoring local government,
12 imposing a tax under this section only as long as the sponsoring local
13 government has outstanding indebtedness under RCW 39.102.150.))~~

14 (10) The definitions in RCW 39.102.020 apply to this section unless
15 the context clearly requires otherwise.

16 (11) If a sponsoring local government is a federally recognized
17 Indian tribe, the distribution of the sales and use tax authorized
18 under this section shall be authorized through an interlocal agreement
19 pursuant to chapter 39.34 RCW.

20 (12) Subject to section 15 of this act, the tax imposed under the
21 authority of this section may be applied either to provide for the
22 payment of debt service on bonds issued under RCW 39.102.150 by the
23 sponsoring local government or to pay public improvement costs on a
24 pay-as-you-go basis, or both.

25 (13) The tax imposed under the authority of this section shall
26 cease to be imposed if the sponsoring local government or cosponsoring
27 local government fails to issue bonds under the authority of RCW
28 39.102.150 by June 30th of the fifth fiscal year in which the local tax
29 authorized under this section is imposed.

30 **Sec. 10.** RCW 39.102.140 and 2006 c 181 s 403 are each amended to
31 read as follows:

32 (1) A sponsoring local government shall provide a report to the
33 board and the department by March 1st of each year. The report shall
34 contain the following information:

35 (a) The amount of local excise tax allocation revenues, ~~((and))~~
36 local property tax allocation revenues, other revenues from local
37 public sources, and taxes under RCW 82.14.475~~((, and revenues from~~

1 ~~local public sources~~)) received by the sponsoring local government
2 during the preceding calendar year that were dedicated to pay the
3 public improvements financed in whole or in part with local
4 infrastructure financing, and a summary of how these revenues were
5 expended;

6 (b) The names of any businesses locating within the revenue
7 development area as a result of the public improvements undertaken by
8 the sponsoring local government and financed in whole or in part with
9 local infrastructure financing;

10 (c) The total number of permanent jobs created in the revenue
11 development area as a result of the public improvements undertaken by
12 the sponsoring local government and financed in whole or in part with
13 local infrastructure financing;

14 (d) The average wages and benefits received by all employees of
15 businesses locating within the revenue development area as a result of
16 the public improvements undertaken by the sponsoring local government
17 and financed in whole or in part with local infrastructure financing;
18 and

19 (e) That the sponsoring local government is in compliance with RCW
20 39.102.070.

21 (2) The board shall make a report available to the public and the
22 legislature by June 1st of each year. The report shall include a list
23 of public improvements undertaken by sponsoring local governments and
24 financed in whole or in part with local infrastructure financing and it
25 shall also include a summary of the information provided to the
26 department by sponsoring local governments under subsection (1) of this
27 section.

28 **Sec. 11.** RCW 39.102.150 and 2006 c 181 s 501 are each amended to
29 read as follows:

30 (1) A sponsoring local government that has designated a revenue
31 development area and been authorized the use of local infrastructure
32 financing may incur general indebtedness, and issue general obligation
33 bonds, to finance the public improvements and retire the indebtedness
34 in whole or in part from local excise tax allocation revenues, local
35 property tax allocation revenues, and sales and use taxes imposed under
36 the authority of RCW 82.14.475 that it receives, subject to the
37 following requirements:

1 (a) The ordinance adopted by the sponsoring local government and
2 authorizing the use of local infrastructure financing indicates an
3 intent to incur this indebtedness and the maximum amount of this
4 indebtedness that is contemplated; and

5 (b) The sponsoring local government includes this statement of the
6 intent in all notices required by RCW (~~39.102.090~~) 39.102.100.

7 (2)(a) Except as provided in (b) of this subsection, the general
8 indebtedness incurred under subsection (1) of this section may be
9 payable from other tax revenues, the full faith and credit of the local
10 government, and nontax income, revenues, fees, and rents from the
11 public improvements, as well as contributions, grants, and nontax money
12 available to the local government for payment of costs of the public
13 improvements or associated debt service on the general indebtedness.

14 (b) A sponsoring local government that issues bonds under this
15 section shall not pledge any money received from the state of
16 Washington for the payment of such bonds, other than the local sales
17 and use taxes imposed under the authority of RCW 82.14.475 and
18 collected by the department.

19 (3) In addition to the requirements in subsection (1) of this
20 section, a sponsoring local government designating a revenue
21 development area and authorizing the use of local infrastructure
22 financing may require the nonpublic participant to provide adequate
23 security to protect the public investment in the public improvement
24 within the revenue development area.

25 (4) Bonds issued under this section shall be authorized by
26 ordinance of the governing body of the sponsoring local government and
27 may be issued in one or more series and shall bear such date or dates,
28 be payable upon demand or mature at such time or times, bear interest
29 at such rate or rates, be in such denomination or denominations, be in
30 such form either coupon or registered as provided in RCW 39.46.030,
31 carry such conversion or registration privileges, have such rank or
32 priority, be executed in such manner, be payable in such medium of
33 payment, at such place or places, and be subject to such terms of
34 redemption with or without premium, be secured in such manner, and have
35 such other characteristics, as may be provided by such ordinance or
36 trust indenture or mortgage issued pursuant thereto.

37 (5) The sponsoring local government may annually pay into a fund to
38 be established for the benefit of bonds issued under this section a

1 fixed proportion or a fixed amount of any local excise tax allocation
2 revenues and local property tax allocation revenues derived from
3 property or business activity within the revenue development area
4 containing the public improvements funded by the bonds, such payment to
5 continue until all bonds payable from the fund are paid in full. The
6 local government may also annually pay into the fund established in
7 this section a fixed proportion or a fixed amount of any revenues
8 derived from taxes imposed under RCW 82.14.475, such payment to
9 continue until all bonds payable from the fund are paid in full.
10 Revenues derived from taxes imposed under RCW 82.14.475 are subject to
11 the use restriction in RCW 39.102.130.

12 (6) In case any of the public officials of the sponsoring local
13 government whose signatures appear on any bonds or any coupons issued
14 under this chapter shall cease to be such officials before the delivery
15 of such bonds, such signatures shall, nevertheless, be valid and
16 sufficient for all purposes, the same as if such officials had remained
17 in office until such delivery. Any provision of any law to the
18 contrary notwithstanding, any bonds issued under this chapter are fully
19 negotiable.

20 (7) Notwithstanding subsections (4) through (6) of this section,
21 bonds issued under this section may be issued and sold in accordance
22 with chapter 39.46 RCW.

23 **Sec. 12.** RCW 39.102.130 and 2006 c 181 s 402 are each amended to
24 read as follows:

25 Money collected from the taxes imposed under RCW 82.14.475
26 (~~shall~~) may be used only for the purpose of (~~principal and interest~~
27 ~~payments on bonds issued under the authority of RCW 39.102.150)) paying
28 debt service on bonds issued under the authority of RCW 39.102.150 or
29 to pay public improvement costs on a pay-as-you-go basis as provided in
30 section 15 of this act, or both.~~

31 NEW SECTION. **Sec. 13.** RCW 39.102.180 (General indebtedness,
32 general obligation bonds--Authority--Security) and 2006 c 181 s 504 are
33 each repealed.

34 NEW SECTION. **Sec. 14.** A new section is added to chapter 39.102
35 RCW to read as follows:

1 The department of revenue and the community economic revitalization
2 board may adopt any rules under chapter 34.05 RCW they consider
3 necessary for the administration of this chapter.

4 NEW SECTION. **Sec. 15.** A new section is added to chapter 39.102
5 RCW to read as follows:

6 Local excise tax allocation revenues, local property tax allocation
7 revenues, other revenues from local public sources, that are dedicated
8 to local infrastructure financing, and revenues received from the local
9 option sales and use tax authorized in RCW 82.14.475, may not be used
10 to pay for public improvement costs on a pay-as-you-go basis after the
11 date that the sponsoring local government that issued the bonds as
12 provided in RCW 39.102.150 is required to begin paying debt service on
13 those bonds.

14 NEW SECTION. **Sec. 16.** This act applies retroactively as well as
15 prospectively.

16 NEW SECTION. **Sec. 17.** If any provision of this act or its
17 application to any person or circumstance is held invalid, the
18 remainder of the act or the application of the provision to other
19 persons or circumstances is not affected.

20 NEW SECTION. **Sec. 18.** This act expires June 30, 2039."

2SSB 5115 - S AMD
By Senators Kilmer, Zarelli, Fraser, Kastama

ADOPTED 03/10/2007

21 On page 1, line 2 of the title, after "projects;" strike the
22 remainder of the title and insert "amending RCW 39.102.020, 39.102.040,
23 39.102.050, 39.102.060, 39.102.070, 39.102.090, 39.102.110, 39.102.120,
24 82.14.475, 39.102.140, 39.102.150, and 39.102.130; adding new sections
25 to chapter 39.102 RCW; creating a new section; repealing RCW
26 39.102.180; and providing an expiration date."

--- END ---